Annual Report 2010-11

Newfoundland Labrador
Housing

Cover Photo: Manley Place, Mount Pearl
Photo by Ned Pratt

Newfoundland Labrador

Housing

Annual Report 2010-11

Message From The Chair

I am pleased to present the 2010-11 Annual Report for Newfoundland Labrador Housing (NL Housing). This report highlights the activities and programs that are so important to the households in greatest need of being served by NL Housing.

Implementation of the Government of Newfoundland and Labrador's Social Housing Plan - *Secure Foundations* was the primary focus of NL Housing during 2010-11. The Plan supports NL Housing's mandate to provide secure and affordable housing for low to moderate income households across the Province. This mandate is strengthened through housing initiatives and investments made in recent years by the provincial government to demonstrate its commitment to the improvement of housing conditions of low-income families and vulnerable individuals.

Through the investments of the Provincial and Federal governments over the past two years, NL Housing has been able to make historic investments in the province's social housing stock. Investments in 2010/11 continued our focus on improving the physical condition of public and community-based housing that provides affordable rentals for seniors and families in communities across the province. The Provincial Home Repair Program and the Residential Energy Efficiency Program have ensured that thousands of low-income homeowners are able to continue to stay in their homes through improvements in the conditions of their homes and assistance to make home heating costs more affordable.

Our success in implementing the Social Housing Plan and delivering on Provincial and Federal investments can be attributed directly to the enthusiasm and hard work of the employees of Newfoundland Labrador Housing. As Chairperson and CEO, I feel a great sense of pride in our workforce for their continuing commitment to assist residents who are in need of housing assistance.

NL Housing continues to engage and work with its many partners to provide a range of housing options for families, seniors, youth at risk, victims of violence, persons with disabilities, persons with complex needs and to address homelessness.

This Annual Report was prepared under the direction of the Board of Directors of NL Housing, in accordance with the requirement of the *Transparency and Accountability Act* that category 1 entities table an Annual Report. The Board of Directors are accountable for achieving the results reported in this document.

Len Simms
Chair of the Board of Directors
Chief Executive Officer

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Overview

Introduction

In fulfilling its commitment to being open and accountable to the people of Newfoundland and Labrador, Government introduced through legislation the *Transparency and Accountability Act (the Act)*. *The Act* provides the framework to ensure the accountability of government entities through preparation and presentation of multi-year performance-based plans and annual reports to the Provincial House of Assembly.

This document reports on results of activities focused on NL Housing's:

- 2006-11 Mission;
- Goals for the 2008-11 planning cycle, and;
- 2010-11 Objectives

Our Vision, Mission and Mandate provide the focus for our work in fulfilling the provincial government's commitment to respond to the housing needs of Newfoundlanders and Labradorians.

Vision

That residents of the Province have access to safe and affordable housing.

Mission

By 2011, to address changing housing needs, Newfoundland Labrador Housing (*Housing)* will have improved housing conditions for low to moderate income households in Newfoundland and Labrador.

Mandate

To develop and administer housing policy and programs for the benefit of low to moderate income households throughout the province.

NL Housing

NL Housing operates under the authority of the *Housing Corporation Act* and is responsible for the implementation of government's social housing policy and programs. NL Housing is governed by a Board of Directors appointed at pleasure by the Lieutenant-Governor in Council. The Board represents different geographic areas and interest groups and reports through the Minister of Transportation and Works, Minister Responsible for Newfoundland and Labrador Housing Corporation. The Chairman of the Board of Directors serves in a dual capacity as Chief Executive Officer and is responsible for the day-to-day operation of NL Housing. The members of the Board of Directors at March 31, 2011 were:

SIMMS, Len Chairperson, St. John's	McCANN, Daniel Port au Port	WHITE, Edward St. John's
BAKER, Thomas Marystown	NEARY, Rhonda St. John's	WINTER, Pauline Lewisporte
BLAKE, Olive Northwest River	NORTHCOTT, Verna Corner Brook	YETMAN, Monica St. John's
CULL, Barbara Stephenville	STROUD, Kimberley Anne Traytown	

See Appendix 1 for NL Housing's Organization Chart.

NL Housing has a complement of 414 positions located across seven regional offices and at head office in St. John's. Employees at Head Office and Avalon Regional Office in St. John's account for 266 positions or 64 percent of our workforce. There are another six regional offices in Marystown, Gander, Grand Falls-Windsor, Corner Brook, Stephenville and Happy Valley-Goose Bay. The 148 positions at these locations (36 percent of the workforce) deliver programs and services to clients, a high percentage of whom live in rural communities. The gender breakdown for our staff is approximately 36 percent female and 64 percent male.

Location	Positions
Avalon	141
Burin Peninsula	14
Gander	11
Grand Falls-Windsor	29
Corner Brook	53
Stephenville	24
Labrador	17
Head Office	125
Total	414

Lines of Business

Newfoundland Labrador Housing's lines of business summarize our main areas of responsibility and the types of programs and services we provide. Our work focuses on:

Subsidized Rental Housing

- Provides rental accommodation for low-income households on a rent-geared-to-income basis.

Housing Supply Assistance

- Provides forgivable grants for critical repairs, accessibility modifications or energy efficiency improvements to protect existing housing options for low-income households.
- Provides forgivable capital grants to public, private and non-profit organizations to develop affordable rental housing for low-income households.

Community-Based Housing

- Provides financial, technical and administrative support to housing partners in the non-profit, co-operative, and health sectors, who provide rental housing for low to moderate income households.

Property Stewardship

- Manages land and property holdings in a manner that is cost effective and sensitive to social housing and related government policy direction.

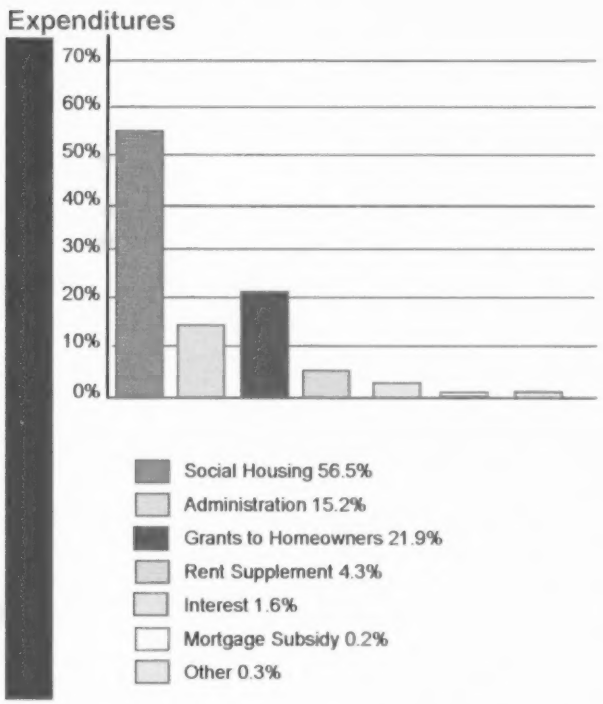
Who We Serve

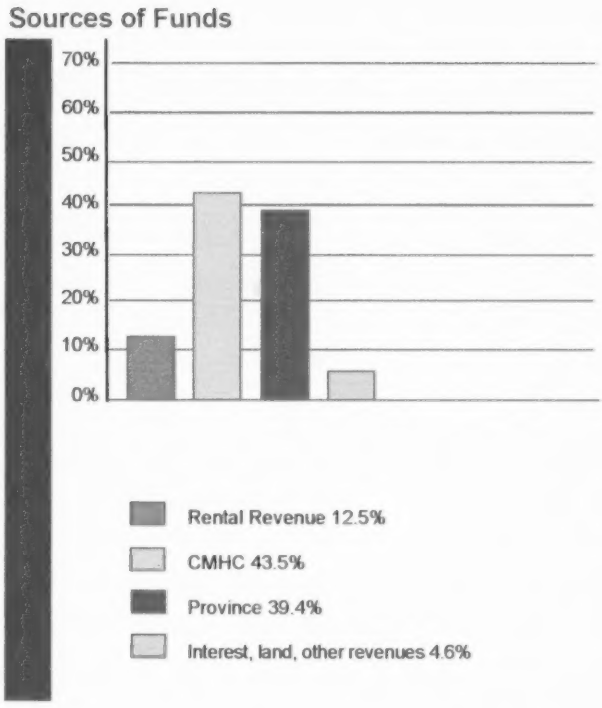
Our clients are families and individuals who require assistance to access secure and affordable housing. The programs we deliver serve renters and homeowners, persons who have disabilities or complex service needs, seniors and youth. We work collaboratively with many partners to achieve better housing outcomes for people and communities. In 2010-11, more than 16,000 households were assisted through social housing programs.

Service Profile 2010-11

Households Served	
Public Affordable Rental Housing	5,573
Community-Based Housing	4,429
Provincial Home Repair (PHRP)	2,496
Rent Supplement	1,382
Residential Energy Efficiency (REEP)	1,217
Subsidized Mortgages	138
Affordable Housing	644
Aboriginal Home Repair	299
Oil Tank Replacement	32
Affordable Housing Program	
Units (Projects) completed in 2010-11	279 (34)
Funding Commitments for completed projects	$15.26M
Provincial Home Repair Program (PHRP)	
Number of grants approved	2,496
Value of grants approved	$9.87M
Number of loans approved	523
Value of loans approved	$1.6M
Modernization and Maintenance - NL Housing Rental Units	
Maintenance expenditures	$11.76M
Modernization and Improvement (M&I) expenditures	$19.86M
Units upgraded in annual M&I projects	1582
Mortgage and PHRP Loans	
Mortgage and home repair loans on repayment	3,100
Value of loans	$8.58M
Tenant Relations Programs	
Tenant Associations	35
Neighbourhood Centres	11
Community Centres (serving approximately 1,400 families and 5,600 individuals)	8
Other Programs	
Number of REEP Grants Approved	1,217
Value of REEP Grants	$3.75M
Community-Based Housing - Operating Funding	$9.00M
Community-Based Housing - Renovation Funding	$5.40M

Financial Profile 2010-11





- Current Account Expenditures for 2010-11 were $151,669,000.

Source:
Audited Financial Statements, Newfoundland and Labrador Housing Corporation.

Highlights and Accomplishments

Community Partnerships

Successful delivery of affordable housing depends on the strength of community partners. In 2010-11 NL Housing has supported many community partners in their work to develop new affordable housing, make major renovations to existing social housing and develop initiatives that help lower-income households achieve housing stability and self-reliance. The commitment and community awareness of these groups and organizations complements NL Housing programs and contributes significantly to the well-being and housing security of the families and individuals who access housing assistance in Newfoundland and Labrador. The following initiatives highlight the importance of these relationships in addressing the social housing component of government's strategic direction in Strategic Plan 2008-11. These Community Partnership initiatives either focus directly on housing need or provide complementary supports and services that contribute to reduction, prevention and alleviation of poverty.

Cabot Habitat for Humanity

In 2010-11, NL Housing contributed $240,000 to Cabot Habitat for Humanity. While this donation received recognition from Habitat for Humanity, NL Housing is equally proud of the contribution made by employees who contributed to the construction of a Habitat for Humanity unit on Charter Avenue in Pleasantville. During 2010-11, ARO staff and several members of NL Housing's management team donated their time and efforts to help with the construction of two duplexes. During their day on site, they helped construct decks on two units, installed siding, honed their plastering skills, and studded and insulated a basement bedroom and bathroom. This partnership is a great example of the hands-on approach that many NL Housing employees take in the delivery of housing at the ground level.

Charter Avenue, St. John's

Courtesy of Cabot Habitat for Humanity

Ted Blanchard, Team Leader, Human Resources

Investments in Community-Based Housing

Under the Economic Stimulus Plan, the 2010-11 allocation for renovations of non-profit community-based housing was $9 million to retrofit 82 affordable social housing projects. This investment ensures that community-based housing organizations can continue to provide suitable and affordable social housing for more than 1,400 renter households.

This funding was used for the replacement of exterior components such as roofing, siding, windows and doors, and interior components such as flooring, drywall, cupboards, counters and fixtures such as tubs, sinks and showers. It will ensure that this housing stock, which was built more than 20 years ago, lasts well into the future.

In addition to the investment in the community-based housing stock, NL housing once again hosted a conference for community-based housing organizations in October 2010. This conference provided an opportunity for housing providers and NL Housing staff to share information on matters of common interest and concern.

Tenant Conference

Of all of NL Housing's many partners, tenant associations are likely the most critical. Fall 2010 marked the silver anniversary of NL Housing's annual Tenant Conference. For 25 years, NL Housing staff and tenant representatives from across the province have gathered to exchange ideas and celebrate the achievements and initiatives of tenant associations. This year's event saw representatives from 30 tenant associations in attendance, along with NL Housing board members and staff, and representatives from NL Housing's eight community centres.

The September 2010 meeting featured a presentation of plaques recognizing anniversary milestones being celebrated by tenant associations. This year's recipients included Dunfield Park Tenant Association of Corner Brook which celebrated its 35th anniversary, the Farmdale/Green Garden/ Hendon Drive Tenant Association of Corner Brook, and West Heights and Virginia Park Tenant Associations of St. John's who celebrated their 25th anniversaries, and the Community Improvement Association of Chalker Place, St. John's, which celebrated 10 years of service. The conference agenda included a series of speakers and presentations that were informative and intriguing. These annual gatherings are important to ensure tenant associations have a chance to discuss issues and concerns among themselves and with representatives of NL Housing.

The Lilly Building – A Home for Youth

Choices for Youth, one of the province's most respected advocates for homeless youth, is a key partner of NL Housing as well as the Department of Advanced Education and Skills. Each year, hundreds of youth in Newfoundland and Labrador struggle with housing stability. In response to this growing need, Choices for Youth opened the province's first affordable housing facility for male and female youth in October. Newfoundland Labrador Housing allocated $1.7 million of combined federal -provincial funding towards the $2.3 million project. The Lilly Building, formerly the A. Lilly & Co. warehouse on Bond Street in downtown St. John's, underwent renovations to transform it into the one-of a kind facility that stands today.

The new facility is staffed 24/7 and provides affordable housing to 14 youth at a time for up to one year. The building design maximizes the sense of community while maintaining individual home-spaces in a youth-friendly environment. As such, some units are two-bedroom style apartments with a shared bathroom and kitchenette, while others are single bedroom units. Youth share community space in the larger kitchens and eating areas, as well as lounge and recreation areas.

This project not only provides a much needed affordable housing option for youth, it also provided an important training opportunity. During construction, 10 youth worked onsite alongside contractors and trades-people, to learn basic carpentry, painting, plastering, workplace safety, and other related skilled trades through Choices for Youth's Train for Trades program.

Choices for Youth also provides a basic literacy/math skills program and an employment preparation program at the Lilly Building site. These programs help residents on the path towards independence and housing stability.

Train for Trades Team at the Lilly Building
Courtesy of Choices for Youth

NL Housing Participation on Community and Regional Committees

NL Housing's community partnerships are enhanced through the work of many community and regional committees. Strong working relationships with community leaders and government colleagues support more effective responses to local housing needs and coordination of services across organizations that serve the same clients.

In 2010-11, NL Housing staff members have worked with representatives of partner organizations on the following committees and initiatives:

Newfoundland and Labrador Housing and Homelessness Network (NLHHN)	A group of community-based service providers, municipal, provincial and federal departments and agencies, and representatives of persons at risk of homelessness who are committed to working on issues related to homelessness and housing.
Elder Abuse Committee of Newfoundland & Labrador (EACNL)	A committee to raise awareness of elder abuse and to share information about referral and intervention services.
Habitat For Humanity	A non-profit organization that helps low-income families achieve home ownership by mobilizing volunteers and community partners to build affordable housing.
Statistics Coordinating Committee	Committee established for sharing of housing data and statistics by community and government partners.
St. John's Community Advisory Committee on Homelessness	Community-based committee established by Human Resources Development Canada (HRC) to provide input on initiatives under the Homelessness Partnership Strategy.
Mayor's Advisory Committee on Affordable Housing and Homelessness (MACAH)	A committee of government, community, and private-sector stakeholders (and related working groups) established by the City of St. John's to guide the implementation and evaluation of its Affordable Housing Action Plan.
Vibrant Communities Leadership Team	A collaboration of community, business and government representatives focused on development of poverty reduction projects. An initiative of the Community Sector Council Newfoundland and Labrador.
Community Sector Council - Project *MONEY* Advisory Board	Committee to guide a financial literacy initiative for low income persons living in social housing.
Canadian Home Builder's Association - Eastern Newfoundland	The voice of the residential construction industry in Eastern Newfoundland, the Association promotes affordability and choice in housing.
NAVNET	An inter-system collaborative network of public sector and community service providers in the St. John's area working to improve access to services and supports by individuals with complex service needs.

The Grand Concourse Authority	The Authority is a non-profit organization responsible for developing and managing an integrated system of walkways and amenities in the St. John's , Mount Pearl and Paradise area. Members represent all levels of government , institutions, foundations , commissions, and other public authorities, on whose land the Grand Concourse is situated. The Authority supports other groups by sharing technical knowledge and practical experience.
Community Centre Boards	Community Centres operate within NL Housing neighborhoods and have a volunteer Board of Directors comprised mainly of community and tenant representatives. The Boards are incorporated non-profit organizations established with the objective of enhancing community capacity and building tenant self-reliance. They provide policy and program guidance and ensure accountability for the operation of the centre within its mandate and established principles.
Regional Committees Against Violence	Regional networks of government and community partners that work collaboratively to share information, encourage public awareness and improve responses to the problem of violence.
Regional Homelessness Partnering Initiatives	Regional committees working on community plans to address housing needs.
Regional Senior Management Councils	Information sharing and coordination of activities for enhanced effectiveness of services and programs for shared clients of the Department of Advanced Education and Skills, Regional Health Authorities and NL Housing.

Housing Programs

NL Housing's slate of programs and services are the backbone of its efforts to improve housing quality and affordability for households in need throughout Newfoundland and Labrador. The housing needs of our residents vary by region, special needs groups, and age demographics. NL Housing's programs offer a range of housing solutions, and support Government's strategic directions in areas such as poverty reduction, healthy aging, and energy efficiency.

Investments in public rental housing address the public rental stock and/or public housing wait list components of NL Housing's strategic direction for the 2008-11 planning period. The social housing component of strategic directions for NL Housing is addressed through the Public Rental Housing, Provincial Home Repair, Rent Supplement, Rental Rehabilitation, Residential Energy Efficiency, Oil Tank Replacement and Affordable Housing Programs. In varying ways, these programs contribute to poverty reduction by moderating the housing affordability challenges faced by lower-income homeowners or renters.

Continued Improvement of Public Rental Housing

In 2007-08, the Government of Newfoundland and Labrador recognized the impact that investments in the condition of social housing would have in improving the lives of those living in publicly funded housing. NL Housing started a five-year program of accelerated modernization which would improve the quality and condition of public housing through the upgrading of building envelopes, interior and exterior improvements, and redeveloped and revitalized public housing neighbourhoods across the Province. This will ensure that safe, quality public housing is available to meet the needs of current tenants and the demand for smaller housing units from smaller families and individuals.

In 2010-11, funding of $22.8 million was allocated by the Province and through the Federal/Provincial Economic Stimulus Plan to modernize and improve approximately 1,582 rental units.

The renovations included replacement of roofing, siding, windows and doors and the interior retrofit of units. The modernization of public rental housing has greatly contributed to the local economies of both urban and rural areas of the Province through the purchase of materials and through the employment of local trades people. The work was carried out by both NL Housing staff and private contractors. Improved public rental housing is making a difference in the lives of those who live in the newly renovated homes.

Before

After

Modernization Project - Empire Avenue, St. John's

Provincial Home Repair Program

The Government of Newfoundland and Labrador has put great effort into trying to ensure that the people of our Province are self-reliant and resilient. One way to foster this is through investment in housing programs that assist low-income homeowners make repairs to their homes and remain in their home communities.

NL Housing delivers the Provincial Home Repair Program (PHRP), which provides home repair assistance to low-income families who own their homes. The majority of households assisted live in rural Newfoundland and Labrador, and a significant number are seniors.

Under PHRP, financial assistance is provided on a wait list basis to repair windows, doors, siding, foundations, roofs and wells. Funding is available on a priority basis to address repairs which are considered an emergency or are life safety in nature. The program also covers home accessibility modifications to allow seniors and persons with disabilities to remain in or return to their homes. PHRP aligns with government's strategic direction under the Healthy Aging Policy Framework and its development of the Long Term Care and Community Support Service Strategy.

The Federal share of PHRP funding has remained constant for many years. However, the Province doubled its commitment to the program in 2007 by providing an additional $4 million per year, for a six-year period. In 2010-11, $9.87 million was spent to deliver 2,496 grants under PHRP, of which 1,521 were approved for low-income seniors. In addition, another 523 repayable loans worth $1.6 million were provided to assist with home repairs. There were 1,184 applications on the wait list for PHRP at the end of March 2011.

Home repaired under PHRP - St. Stephen's, NL

Rent Supplement Program

As the housing needs of residents evolve, NL Housing must seek new means by which residents in need can be adequately housed. In many communities, the needs of low-income residents are best met through partnerships between NL Housing and private-sector landlords, who work together to identify suitable and adequate accommodation in the private rental market. NL Housing's Rent Supplement Program assists low-income households by paying a portion of their rent for private rental accommodations. The tenant's rental payment to the landlord is 25 percent of their net income and the remaining portion of the rent is paid directly to the landlord by NL Housing.

The Rent Supplement Program provided assistance to just under 1,400 households in 2010-11.

Rental Rehabilitation Programs

While the Rent Supplement Program is focused on making affordable housing available to low-income households, improving the quality of rental units is equally important. NL Housing's partnership approach also includes offering support to private-sector landlords, non-profit groups, and co-operatives through the PHRP to repair and rehabilitate properties rented to lower income households. In 2010-11, Federal/Provincial funding of approximately $1 million was spent to upgrade substandard self-contained rental units and/or make improvements to shelters across the Province.

Rental Rehabilitation Programs 2010-11 Delivery	Funding	Investment In
Rental/Rooming House RRAP	$514,176	61 Rental Units
Shelter Enhancement Program	$331,726	Shelters with total capacity of 60 Beds
Conversion RRAP	$156,000	13 Units
Total	$1,001,902	134 Units and Beds

Residential Energy Efficiency Program

The Residential Energy Efficiency Program (REEP) is delivered through NL Housing and available to low-income homeowners who use either heating fuel or electricity to heat their homes. REEP supports government's Energy Plan 2007 commitment "to facilitate energy efficiency and conservation programs to encourage energy consumers to make the effort and investments required". It also helps reduce the energy costs of lower-income households and thus contributes to alleviation of poverty.

This program pays for pre and post inspections and grants are available up to a maximum $3,000 per house on the island and $4,000 in Labrador. Repairs are identified through an independent energy evaluation, which will determine the best possible solutions for energy efficiency. Examples of repairs covered under this program include basement and attic insulation or draft-proofing, as well as, heating system upgrades.

More than 1,200 homeowners received a total $3.75 million in REEP grants in 2010-11. It is estimated that the annual heating cost saving per household is $775 or 35 percent of household heating cost. The average income of households served was $19,676.

Oil Tank Replacement Program

The Oil Tank Replacement Program (OTRP) is a provincial loan program delivered by NL Housing. OTRP provides loans to low-income homeowners for replacement of substandard oil heating tanks that may become a serious environmental or health hazard. Except for Inuit Communities in Northern Labrador, the program concluded in 2010.

In the two-year period, 2009-10 and 2010-11, 219 low-income households were approved for loans totaling $278,000. The average loan was $1,270. Most of the homeowners assisted live in rural areas of the province.

Roughly 85 percent of program delivery (187 loans) took place in 2009-10. In 2010-11, 32 loans were approved, for a total of $42,000.

OTRP supports government's strategic commitment to environmental leadership.

Maintaining our Public Housing

On a daily basis, NL Housing works to maintain its units to provide safe, quality shelter for current tenants, and to sustain the stock over the long term. The key to this effort is the regular maintenance program which serves to repair or replace items as necessary due to normal wear and tear. This includes items needed to maintain the comforts of the home, such as broken faucets, furnace breakdowns, leaking hot water boilers and minor electrical type repairs. In 2010-11, maintenance expenditures totalled $11.76 million. This funding contributes directly to the improved quality of NL Housing units, which is an important objective of the Social Housing Plan.

Affordable Housing Program

The demographics of Newfoundland and Labrador have changed significantly. As a result, the stock of public affordable housing, which was originally developed for large families, does not match the increasing need to affordably house seniors, and persons with disabilities or complex service needs. To address this challenge, the Social Housing Plan has set as one of its objectives - *Increased rental options for low- and moderate-income households.*

Through federal and provincial investments under the Affordable Housing Program, NL Housing has provided funding for the development of affordable housing for low to moderate income households. Private, non-profit and government sector groups can apply for capital assistance and if approved, are eligible for forgivable loans to construct affordable rental housing. Ten percent of all units constructed are required to be fully accessible.

In 2010-11, 259 new affordable housing units were completed, of which 167 (64 percent) are rentals for seniors. Capital funding approved under the Affordable Housing Program for these units is $15.26 million.

By supporting the development of new housing stock suited to the needs of different sub-populations, the Affordable Housing Program aligns with several of government's strategic priorities including healthy aging, the inclusion of persons with disabilities, and the integration of housing and support services for persons with complex needs.

L-R: Jim Ford, Greg Hussey, Hubert Hussey, Ann-Jeanette Hussey, John Goldthorpe (resident), MHA Paul Davis, Minister Tom Hedderson, and Mayor Ralph Wiseman.

Official Opening of Cormorant Place Seniors Complex, Paradise, August 26, 2010

Building Capacity

The services that NL Housing provides to its clients depend heavily on the skills and abilities of its workforce. During 2010-11, NL Housing continued to invest in its most precious resource, its people, to strengthen the service it provides to households in need.

Providing Training Opportunities

NL Housing is participating in the Provincial Government Hiring Apprenticeship Program to ensure that more apprentices find employment and can proceed through advanced-level training. The program is an initiative under the Provincial Government's Youth Retention and Attraction Strategy which ensures that youth have access to quality employment opportunities as they graduate from training programs and enter the workforce.

Since 2007, NL Housing has employed 29 apprentices in the carpentry, plumbing and electrical trades. Eight have obtained their journeyperson certification and five have joined NL Housing in permanent positions.

During 2010-11, eight new apprentices were employed at NL Housing and another 16 worked for some part of the year in continuing apprenticeship placements.

NL Housing also supports Choices for Youth's Train for Trades Program and provided opportunities for youth to work alongside veteran technical staff during the renovation of NL Housing units.

Improving Staff Resources and Knowledge

NL Housing employees took part in 273 training sessions during 2010-11 to improve service to clients, safety, and on the job skills. NL Housing has put great effort in targeting courses to meet the needs of staff to better enable them to effectively perform in their positions and serve clients. Courses provided during the past year include first aid, Workplace Hazardous Materials Information System (WHMIS), workplace health and safety and asbestos training.

Five Orientation sessions to improve corporate awareness were provided, with over 125 staff attending. In total, 1,175 course registrations were recorded.

R. Thorne and E. O'Keefe - First Aid Training

NL Housing – Contributing to Our Communities

The construction and repair of affordable housing plays a significant role in building our communities. Newfoundland Labrador Housing and its employees do not only build communities through their work activities, they also contribute through corporate and voluntary efforts. These charitable efforts improve the lives of both tenants and others in need of assistance.

Examples of the Corporation and its employees reaching out during 2010-11 include:

NL Housing's Scholarship Program

For many years NL Housing has awarded scholarships to high school graduates and adults pursuing post-secondary education. The scholarships are awarded in the Avalon/East, Central and Western/ Labrador regions to tenants' children and adult tenants returning to school. Each scholarship is valued at $1,000. Youth scholarships are awarded based on the results of the Department of Education's scholarship score, which is derived from a student's performance on public examinations. Winners of the adult scholarships are selected based on an interview that assesses initiative, need and community involvement. The 2010-11 scholarship winners* are:

Youth Scholarships	Region
Lindsay Collins	Avalon/Eastern
Thomas Denine	Avalon/Eastern
Shaleen Strickland	Avalon/Eastern
Harrison Collis	Avalon/Eastern
Sheldon Frost	Avalon/Eastern
Scott Curlew	Central

Adult Scholarships	Region
Lesley Snow	Avalon/Eastern
Peter Walsh	Western/Labrador
Patricia Simms	Western/Labrador

* There were no youth scholarship applicants from the Western/Labrador region for 2010/11. As a result, an additional two scholarships were awarded, one in the Avalon/Eastern region and one in the Central region.

NL Housing's scholarship program supports government's approach to reducing poverty in Newfoundland and Labrador.

Education Incentive Program

Under the Poverty Reduction Strategy, government has placed great emphasis on the education of our youth and young adults as a way to reduce poverty and to improve their lives by providing an opportunity to fully contribute in our society.

NL Housing has continued with its program to offer incentives to families to encourage young people and adults living in social rental housing to stay in school and further their education. NL Housing provides a monthly financial incentive of $50 for each dependent in a household attending junior high and high school. This incentive is also extended to every adult member in full-time attendance at a post-secondary institution.

In 2010-11, approximately 1,400 individuals living in public rental housing availed of this incentive.

Helping Make Children's Wishes Come True

Once again in 2010-11, NL Housing helped the Children's Wish Foundation make wishes come true for children in Newfoundland and Labrador. NL Housing teams participated in the Bridget Mulrooney Memorial Golf Tournament as well as the Children's Wish Bowl, raising $1,430 through contributions and ticket draws.

In addition to this annual participation, NL Housing employees also took a hands-on approach to granting wishes in 2010-11. Employees from the Avalon Regional Office volunteered their time to grant the wish of 13 year old Ryan from Rocky Harbour and installed a deck around the new swimming pool in his backyard. The wishes of the hardworking volunteers and staff of the Children's Wish Foundation were also granted, as NL Housing employees volunteered to assist with interior renovations to their office in St. John's.

NL Housing looks forward to continuing its relationship with the Children's Wish Foundation of Canada for years to come.

L-R: Wade Butler, Lloyd Geary, Ryan, Jim Learie

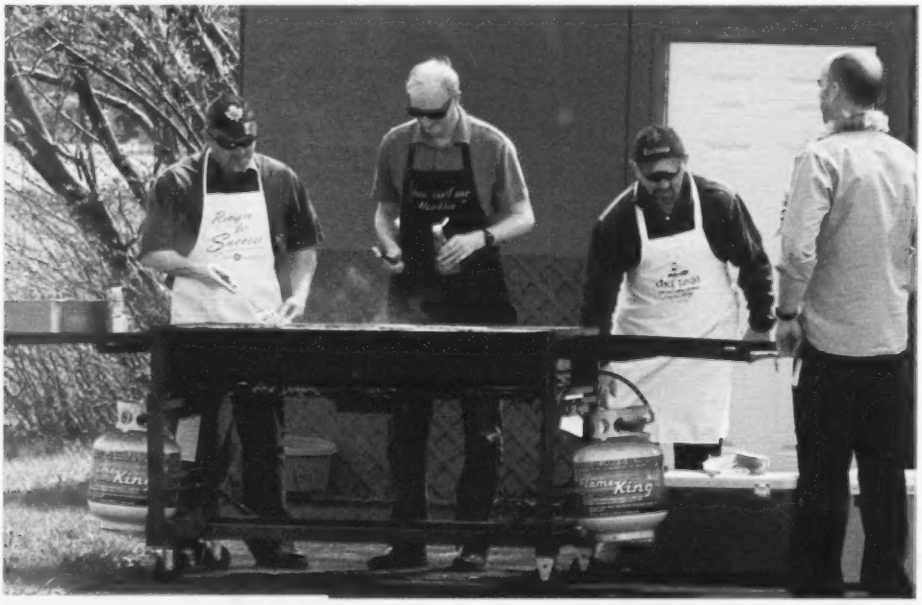
Employees Reaching Out

NL Housing's employees make a daily impact in Newfoundland and Labrador through the work they do to provide affordable housing options to residents. Employees also extend a helping hand to tenants through the Employees Reaching Out (ERO) initiative. Employees at Head Office, under the guidance of the ERO committee, hold fundraising events throughout the year, to provide assistance to tenants and their families in times of hardship or need, and during the holiday season.

During 2010-11, the efforts of NL Housing employees raised $5,300 to help fund these initiatives and make the lives of our tenants a little brighter.

Employee fund raising efforts include events such as an annual lunchtime burger day and a Christmas pot luck. Donations from Casual Day and ticket sales on various items are also undertaken throughout the year to raise funds. These funds are utilized to make donations to tenant children's and seniors' Christmas parties, provide food trays to the families of deceased tenants and provide funds to buy household supplies for tenants in need.

Employees also contribute food and gift items for hampers which are distributed to needy families at Christmas.



Burger Day - May 10, 2010

Shared Commitments

Social Housing Plan

The Social Housing Plan - *Secure Foundations* was released in 2009 following extensive stakeholder input. It is a shared commitment of the Departments of Justice, Health and Community Services, Advanced Education and Skills and Newfoundland Labrador Housing and outlines the key issues and strategic action priorities of government in addressing the housing needs of Newfoundlanders and Labradorians.

The goals of the Social Housing Plan are:

- Increased emphasis on individual well-being and strengthened communities.
- Strengthened partnerships and management practices.
- Improved housing assistance.

In support of these goals and the broader strategic directions of government noted on page 22, NL Housing, together with government and community partners, has undertaken initiatives in 13 key focus areas. These focus areas are priorities that were emphasized by stakeholders during annual input sessions on the Social Housing Plan. Initiatives in these focus areas have helped change people's lives for the better by improving housing security and affordability and opportunities for community participation. Highlights of 2010-11 achievements under the Social Housing Plan are as follows:

Social Housing Plan - *Secure Foundations* Achievements 2010-11

Focus	Achievements 2010-11
Accessible Housing Supply	• Home repair grant funding approved for accessibility modifications to 402 private homes. • 75 fully accessible affordable housing rental units completed by private and non-profit sector partners.
Supporting Personal Development and Community Participation	• 1,400 NL Housing tenants enrolled in high school or post secondary studies received a $50/month education incentive.

Focus	Achievements 2010-11
Integration of Housing and Support Services	• Twelve projects were approved for capital funding to develop space for delivery of services to help prevent homelessness and promote housing stability and independence.
Capacity of Community Partners	• Funding approved for renovations to 82 community-based housing projects that serve more than 1,400 households.
Strategic Social Policy Alignment	• Loans to 32 households for replacement of oil tanks.
Service Excellence	• Developed a new software system to improve delivery of renovation and housing development grants to low-income households and housing delivery partners.
Rental Options	• 259 affordable housing units developed by private and non-profit sector proponents. • Ten new public affordable housing units developed and capital funding committed for another 18.
Home Repair Assistance	• 2,496 repair grants to homeowners were approved.
Assistance for Off-Reserve Aboriginal Households	• Funding committed for four new public affordable housing units in Nain, Labrador. Construction commenced July 2011.
Quality of Public Affordable Housing	• Upgrades to 1,600 public affordable housing units are 54 percent completed, with remainder started and to be finished in 2011-12.
Energy Efficiency Improvements	• 1,217 energy efficiency grants to homeowners were approved. Average heating cost savings per household is $775/year (35 percent).
Home Heating Assistance	• Fourteen percent increase in heating allowance budget for assistance to low-income NL Housing rental clients.

For more information, see A Progress Report on A Social Housing Plan for Newfoundland and Labrador - *Secure Foundations* at www.nlhc.nl.ca.

Other Strategic Initiatives

NL Housing supports government's strategic commitments in other policy areas through participation on cross-departmental committees that guide the development of initiatives and through implementation and delivery of initiatives. This collaborative work ensures that planning practices are integrated across government and that there is linkage between key strategic initiatives. Several Social Housing Plan focus areas intersect with and support government's directions for other strategic initiatives. Some of the Social Housing Plan initiatives that have supported other government strategies in 2010-11 are:

Strategic Initiative	NL Housing Support
Poverty Reduction Strategy	• The Education Incentive Program contributes to the prevention and alleviation of poverty. (See also page 18)
Healthy Aging Policy Framework	• New affordable rental housing stock, of which 19 percent of units are fully accessible, and PHRP grants for home accessibility modifications align with the Healthy Aging goal regarding housing options that support healthy aging. (See also pages 12, 15, 31-32, 33-36)
Inclusion of Persons with Disabilities	• This strategic work is also supported by Social Housing Plan initiatives to develop fully accessible rental housing and provide grants for home accessibility modifications. (See also pages 12, 15, 31-32, 33-36)
Northern Strategic Plan	• New public affordable housing in Nain, Labrador responds to the identified housing need in this northern community.
Violence Prevention Initiative	• NL Housing staff participated on Regional Committees Against Violence to promote awareness and violence prevention.
Youth Retention and Attraction Strategy	• In 2010-11, NL Housing employed eight new apprentices and 16 continuing apprentices under the Hiring Apprenticeship Program initiative of this strategy. (See also page 16)
Climate Change Action Plan	• Residential Energy Efficiency Program (REEP) grants to 1,250 low-income homeowners support government's commitment to provide and facilitate energy efficiency and conservation programs. REEP also contributes to overlapping goals focused on poverty alleviation, housing affordability and sustainability of rural communities. (See also page 14)
Long Term Care and Community Support Services Strategy	• PHRP grants for home accessibility modifications complement the delivery by Health Authorities of home support programs to seniors and persons with disabilities who require such support to continue independent living at home. (See also pages 12, 33-36)

Report on Performance

In accordance with the *Transparency and Accountability Act*, the Report on Performance outlines the results achieved regarding NL Housing's:

- 2006-11 Mission;
- Goals for the 2008-11 planning cycle, and;
- 2010-11 Objectives.

To provide context to the performance report that follows, we highlight the Vision for NL Housing as described in Strategic Plan 2008-2011:

That residents of the Province have access to safe and affordable housing.

Mission

The mission statement identifies the priority focus of NL Housing over the past two planning cycles, which ran from 2006 to 2011. It reflects the strategic directions of government regarding sustainable social housing for households with the greatest need and enhanced self-reliance through the prevention, reduction, and alleviation of poverty. During the five-year period, NL Housing made significant investments to improve the condition of the public affordable rental housing stock and improve neighborhood design in a number of high density public housing areas. In partnership with private and non-profit sector housing providers, NL Housing increased the supply of new rental accommodations under the Affordable Housing Program. NL Housing continued to serve low-income households on the rental housing wait list, taking into consideration the particular circumstances of their housing need. Service delivery under the Provincial Home Repair Program (PHRP) was substantially expanded in 2007 and the enhanced service levels have been maintained for the remainder of the mission period. The Rent Supplement Program was expanded in 2008-09 and 2009 -10 with government's commitment of increased funding for this program and a targeted effort to obtain additional rental accommodations from private-sector landlords.

Mission: By 2011, to address changing housing needs, Newfoundland Labrador Housing (*Housing)* will have improved housing conditions for low to moderate income households in Newfoundland and Labrador.

Measure: Improved housing conditions to address changing housing needs.

Indicators	Accomplishments 2006-11
Number of public housing homes upgraded	In 2007-08, the Province provided increased funding of $27.5 million over a five-year period for accelerated modernization of public rental housing. In 2008-09, the Province approved an additional $2 million per year for five years to undertake interior repairs to public housing. In 2009-10 and 2010-11, additional federal/provincial funding of $34 million under the Economic Stimulus Plan was allocated to NL Housing's modernization and improvement budget. As a result of this enhanced funding, the number of public housing homes upgraded increased from 325 in 2006-07 to 1,582 in 2010-11. Over 3,900 public housing homes were upgraded between 2006 and 2011.
Redevelopment of high density public housing neighbourhoods	Redevelopment of four high density public housing neighbourhoods was initiated in the 2008-11 planning cycle. Renovation of public rental housing homes is a major part of the neighbourhood improvements. The redevelopments also include measures to improve access routes, parking areas, landscaping and generally revitalize the neighbourhood. To date, NL Housing has invested over $10 million in the redevelopment of neighbourhoods in Happy Valley-Goose Bay, Corner Brook and two in St. John's. A total of 92 public rental housing homes in the four neighbourhoods have been renovated and four new public housing homes were constructed in St. John's. The neighbourhood redevelopments will continue in the next planning cycle.
Increase in the number of new rental accommodations constructed under the Affordable Housing Program	Several requests for proposals(RFPs) were issued for the Affordable Housing Program in the period 2004 to 2009. By March 31, 2011, a total of 614 new housing units had been developed. Of these, 584 were developed during the 2006-11 planning period and 30 were developed in the 2005-06 time frame. With the exception of ten homeownership units developed by Habitat for Humanity, all new Affordable Housing units are rentals.
Number of low-income households assisted through PHRP	The Provincial Home Repair Program (PHRP) provided a total of 11,544 grants to low-income households in the province during the period 2006-11, an average of 2,309 grants per year. The average income of households assisted under PHRP increased during this period from slightly less than $15,600 per year in 2006 to just over $18,000 per year. All households assisted remain within income limits.

Indicators	Accomplishments 2006-11
Number of low to moderate income groups assisted	<u>Affordable Housing Program</u> A total of 584 new housing units were developed under the Affordable Housing and Housing Trust programs during 2006-11. The new units were targeted to the following household groups: • Seniors - 355 units • Persons with disabilities - 95 fully accessible units Eighty-three of these units are within the new stock of seniors, supportive and family housing • Supportive Housing - 54 units • Families or all groups - 163 units <u>Provincial Home Repair Program</u> Beginning in 2007-08, the provincial share of funding for the Provincial Home Repair Program was increased by $4 million per year. During the mission cycle 2006-11, this investment has enabled Housing to provide home repair assistance to an average of 400 additional low-income households per year. During 2006-11, PHRP assisted households within four target groups as follows: • Seniors - 7,813 grants • Non-seniors - 3,731 grants • Persons with disabilities - 1,595 grants • Households self-identified as being of native ancestry - 568 grants

Indicators	Accomplishments 2006-11
Number of low to moderate income groups assisted	<u>Rent Supplement Program</u> During 2008-09 and 2009-10, an additional 384 low-income households were assisted under the Rent Supplement Program. Funding for expansion of the Rent Supplement Program was approved in Budget 2008. Through private-sector landlords, this initiative has accessed smaller rental units suited to the needs of smaller households with housing affordability challenges. A number of rent supplements were also earmarked for clients referred by Stella Burry Community Services and the Canadian Mental Health Association. These organizations work to ensure housing stability and reduce homelessness by providing and/or coordinating supportive services for individuals with complex service needs. New rent supplement clients assisted include: • Seniors - 165 households • Non-elderly singles - 113 households • Persons with special needs/disabilities - 75 households • Small families/others - 31 households
Reduction in wait lists	The rental housing wait list includes applicants for public rental housing and the rent supplement program. During the 2006-11 planning period, NL Housing provided accommodations to 4,150 low-income households selected from the rental housing wait list. Despite this level of service delivery, the rental housing wait list was not reduced. The number of applicants on the wait list changes daily as existing applicants are housed and new applications are received. An average of 70 new placements per month occurred during 2006-11. The average provincial rental vacancy rate dropped from 4.1 percent in 2006 to 2.1 percent in 2011, a decrease of 49 percent. The tightening rental market is reflected in a steady increase in the number of applicants from 710 in February 2007 to 1,032 in March 2011. This is a 45.4 percent increase in the rental housing wait list. During the period 2006-11, the wait list for PHRP decreased by 72 percent, from 4,179 in 2006-07 to 1,184 at March 31, 2011.

Over the mission cycle 2006 to 2011, significant progress was made in achieving NL Housing's Mission to address changing housing needs and improve housing conditions for low to moderate income households.

Modernization work to sustain the public housing stock resulted in upgrading of 3,900 housing units. These capital improvements serve to extend the life of these housing assets and ensure they continue to serve current and future clients who require housing assistance.

NL Housing was successful in increasing the number of renter households it serves by expanding the Rent Supplement Program in 2008-09 and 2009-10. An additional 384 households have been added to our client base. Despite this increased capacity to assist lower-income renters, serious tightening in the private rental market has contributed to an increase in the rental housing wait list. At March 2011, the wait list had increased 45 percent to 1,032 households. This reflects the affordability challenges that low-income households are experiencing in the current environment of low vacancy rates and high rental costs.

NL Housing has also strengthened the social housing system in the five-year period 2006 to 2011 by:

- Increasing the average number of households served annually under PHRP from 1,900 in 2005-06 to 2,300 in 2010-11 (21 percent increase),
- Increasing the number of PHRP grants for accessibility modifications from 256 in 2005-06 to 402 in 2010-11 (57 percent increase), and
- Supporting the development of 584 new affordable housing units of which 574 are rental housing and 95 (16 percent) are fully accessible.

A strengthened social housing system in Newfoundland and Labrador serves to prevent and alleviate housing poverty and provide families and individuals a secure foundation from which to achieve their potential.

Strategic Issues

Issue One: Improve the physical condition of the public housing portfolio.

Newfoundland and Labrador has some of the oldest public housing in Canada. Construction began in 1949, and 46 percent of public housing buildings were built before 1980. Prior to 2007-08, the annual modernization budget had for many years been stable at $4.5 million per year. As a consequence, the necessary upgrading of public housing assets had been progressing at a limited pace.

For the 2008-11 planning period, NL Housing targeted funding to upgrade building envelopes and interiors, address visibility and security issues and redevelop and revitalize targeted housing neighbourhoods. This reflects the strategic direction regarding sustaining the public housing rental stock so that it continues to serve households with the greatest housing need.

In 2007-08, the Province provided increased funding of $27.5 million over a five-year period for accelerated modernization of public housing. In 2008-09, the Province approved an additional $2 million per year for five years for interior repairs to public housing and one time funding of $2 million to address mold and mildew issues. Additional investments in modernization of the public housing stock were made over the two-year period 2009-10 and 2010-11 using $34 million of F/P Economic Stimulus funding.

Goal: By 2011, NL Housing will have improved the condition of the existing public rental housing.

Measure: Significant improvement in the condition of public rental housing.

Indicators	Accomplishments 2008-11
Number of homes upgraded	During the 2008-11 planning period, NL Housing made considerable investments to improve the condition of public rental housing in the province. Modernization and improvement budgets for the three years totalled $68.4 million which included two year Economic Stimulus Plan funding. Over 3,100 public rental housing homes were upgraded as a result of this expenditure.

Indicators	Accomplishments 2008-11
Redevelopment of high density public housing neighbourhoods	NL Housing began redevelopment of four high density public housing neighbourhoods during this planning cycle: • Perrault Place, Happy Valley-Goose Bay • Crestview Park, Corner Brook • Cashin/Froude Avenue, St. John's • Empire Avenue (Rabbitown), St. John's Renovation of public rental housing homes is a major part of the neighbourhood improvements. The redevelopments also include measures to improve access routes, parking areas, landscaping and generally revitalize the neighbourhood. The Perrault Place redevelopment, which included upgrading of all 24 public housing homes, was completed during this planning period. In Crestview Park, renovations have been completed on 36 public housing homes and an expansion of the Crestview Community Centre is well underway. Four new homes have been constructed and 16 existing homes have been renovated in Cashin/Froude Avenue. In Empire Avenue (Rabbitown), renovation of 16 homes was completed. Redevelopment of the high density neighbourhoods in Corner Brook and St. John's will continue in the 2011-14 planning cycle.

Objective 2011: NL Housing has completed its three-year plan for modernization and improvement.

Measure: Upgraded public housing homes. Continuation of redevelopment plan.

Indicators	Accomplishments 2010-11
Number of homes upgraded	Under NL Housing's 2010-11 modernization and improvement plan, upgrading was completed on 856 public housing homes throughout the province. Upgrading of another 726 public housing homes was started during the year; this work will be completed during 2011-12. The renovations included building envelope upgrades (doors, windows, siding, roofs, etc.) as well as electrical upgrades, foundation repairs, heating system conversions and accessibility modifications. Interior renovations such as kitchens and bathrooms were completed on some 300 public housing units included in the above numbers. NL Housing projected that its three-year plan for modernization and improvement would result in the upgrading of approximately 1,500 public housing homes during the 2008-11planning cycle. Aided significantly by the additional F/P Economic Stimulus funding available in 2009-10 and 2010-11, upgrading was completed on some 3,100 public housing units during the three-year period.
Continuation of neighbourhood improvements	NL Housing continued the redevelopment of several high density public housing neighbourhoods during 2010-11. Four new public housing homes were constructed on Vicker's Avenue in the Cashin/Froude Avenue neighbourhood of St. John's. Two of the units are fully accessible and two are semi-accessible which makes them visitor friendly for people who require accessibility modifications. Major upgrading continued during the year for eight units on Hoyles Avenue in the Empire Avenue (Rabbittown) area of St. John's. Tenders were awarded for upgrading of public housing homes located on Vine Place, Bayview Court and Fairhaven Court in the Crestview neighbourhood in Corner Brook. Expansion of the Crestview Community Centre also continued during the year.

Over the three-year planning period 2008-11, NL Housing has made substantial progress towards the goal of improving the condition of existing public rental housing. This was greatly facilitated by the additional F/P Economic Stimulus funding available during the second and third year. Under the 2008-11 plan, 3,100 public housing units were upgraded with roughly 16 percent of the work undertaken in 2008-09, 61 percent completed in the subsequent two years, and 23 percent started in 2010-11 with completion in 2011-12.

Issue Two: Partner with private and non-profit groups to construct new rental accommodation for low to moderate income households.

The profile of households who require housing assistance has changed significantly in the last decade. The number of small households requiring one or two bedroom accommodations has grown, and includes a high proportion of seniors households and persons who have disabilities or complex service needs. These populations were identified as priority target groups for development of new Affordable Housing rentals. Private-sector and community-based groups have developed new housing with capital funding provided under the Affordable Housing and Housing Trust Programs.

The creation of this new housing stock increases the supply of rental accommodation available for low to moderate income households at average or below average rental rates. This corresponds with the social housing component of the strategic direction entitled Poverty Reduction in Plan 2008-11.

Goal: By 2011, NL Housing will have increased the supply of new rental accommodation under the Affordable Housing and Housing Trust Programs.

Measure: Increased supply of newly constructed rental accommodations.

Indicators	Accomplishments 2008-11
Number of rental accommodations occupied by families, seniors and clients with disabilities or special needs.	During the 2008-11 planning cycle, 464 new homes were developed under the Affordable Housing and Housing Trust programs. These units targeted accommodations as follows: • Seniors - 291 units • Persons with disabilities - 75 fully accessible units Sixty-nine of these units are within the new stock of seniors, supportive and family housing • Supportive housing - 32 units • Families or all groups - 135 units The construction of 464 new homes took place in 30 communities throughout the province: Happy Valley-Goose Bay, LaScie, Corner Brook, Stephenville, Pasadena, Deer Lake, Baie Verte, Springdale, Roberts Arm, Bishops Falls, Botwood, Peterview, Grand Falls-Windsor, Gander, Lewisporte, Bonavista, Burin, Creston, Marystown, Placentia, New Harbour, Avondale, Harbour Grace, Carbonear, Victoria, Conception Bay South, Paradise, Portugal Cove-St. Philips, Mount Pearl and St. John's.

Objective 2011: By 2011, 468 new rental homes have been constructed under the Affordable Housing and Housing Trust Programs.

Indicators	Accomplishments 2010-11
Number of new rental accommodations constructed	During 2010-11, 259 new homes were constructed under the Affordable Housing and Housing Trust programs. The Objective 2011 target of 468 new homes represents an estimated cumulative number of new housing units for the 2008-11 planning cycle. During the planning cycle, a number of projects that received conditional approval were not successful in reaching final approval and were replaced with others from the RFP process. As a result, the actual number of new homes constructed in the period 2008 to 2011 was 464.
Number of rental accommodations occupied by families, seniors and clients with disabilities or special needs	During the year, 259 new homes were constructed under the Affordable Housing and Housing Trust programs. This construction provided accommodations targeted as follows: • Seniors - 167 units • Persons with disabilities - 50 fully accessible units Forty-four of these units are within the new stock of seniors, supportive and family housing • Supportive housing - 5 units • Families or all groups - 81 units

As noted above, the number of new homes constructed under the Affordable Housing and Housing Trust Programs in the 2008-11 planning period was 464, four less than indicated in the 2011 Objective for this issue. This is a slight variance from the Objective 2011 cumulative estimate of 468 new homes set in early 2008. NL Housing, in partnership with 39 private-sector and community-based groups, has been successful in the goal of increasing the supply of new rental accommodation for low to moderate income households.

Issue Three: Assist low income households living in private housing

Affordability is the primary reason that households find themselves in housing need. This is the case for both low-income renters and homeowners. Low-income homeowners experience housing need when their home requires significant repairs. Low-income renters are challenged to find affordable housing of acceptable quality when rental housing is in short supply relative to demand.

NL Housing delivers the Provincial Home Repair Program (PHRP) which provides home repair assistance to low income homeowners who live mainly in rural Newfoundland and Labrador. Funding is available on a priority basis to address repairs which are considered an emergency or are life safety in nature and for home modifications to allow seniors and persons with disabilities to remain in or return to their homes. Another category of financial assistance is for home repairs to address problems associated with the building envelope or other building systems (i.e. electrical, heating, etc.) Applicants for this type of assistance are placed on a waiting list.

One of the initiatives to promote self-reliance through investment in housing programs was increased provincial funding for PHRP. The Province committed an additional $4 million per year commencing in 2007, for a six-year period. The additional funding helped to address the wait list for repairs and improve the condition of housing owned by low-income households.

NL Housing also delivers the Rent Supplement Program (RSP) which assists low-income households by paying a portion of their rent for private rental accommodations. The tenant's rental payment to the landlord is 25 percent of their income. NL Housing, by agreement with landlord partners, pays the remaining portion of the rent directly to the landlord. The RSP subsidizes mainly one and two bedroom apartments primarily in urban parts of the province. Eligible households are selected from the rental housing wait list. The Province increased funding for the Rent Supplement Program in Budget 2008. This enabled NL Housing to increase the number of households served. The new rent supplements were introduced over the two-year period 2008-09 and 2009-10.

These initiatives correspond with the strategic direction component of Plan 2008-11 that focuses on social housing and enhancing self-reliance through reduction and alleviation of poverty.

Goal:	By 2011, NL Housing will have improved the condition of privately owned homes of low income families assisted through the PHRP and increased the number of clients housed under the RSP.
Measures:	Improvement in the condition of privately owned homes assisted under the PHRP. Increased the number of clients housed under the RSP.

Indicators - PHRP	Accomplishments 2008-11
Number of grants provided to low -income households to make home repairs	During the 2008-11 planning period, 7,328 grants were provided to low-income households under the PHRP. These grants were provided to low-income households to enable homeowners to undertake emergency and life safety repairs as well as repairs to windows, doors, siding, foundations, roofs, and heating or electrical systems. Home modifications to allow seniors or persons with disabilities to remain in or return to their homes were also funded. The total value of PHRP grants over the three years was $28.54M and the average grant was $3,895.
Number of target groups assisted	The PHRP assisted the following number of households within four target groups during this planning cycle: • Seniors - 5,069 grants • Non-seniors - 2,259 grants • Persons with disabilities - 1,006 grants • Households self identified as being of native ancestry - 365 grants
Reduction in the PHRP wait list	Beginning on April 1, 2007 the provincial government provided an additional $4 million per year for PHRP. This funding has enabled NL Housing to serve an average of 600 additional households each year during 2008-11. Since March 2008, the wait list of clients for PHRP has decreased from 3,696 to 1,184, a reduction of 68 percent.

Indicators - RSP	Accomplishments 2008-11
Number of seniors, low-income households, non-elderly and persons with special needs assisted	During 2008-09 and 2009-10, an additional 384 low-income households were assisted under the Rent Supplement Program. Funding for this initiative was approved in Budget 2008. Through private-sector landlords, this initiative has accessed smaller rental units suited to the needs of smaller households with housing affordability challenges. A number of rent supplements were also earmarked for clients referred by Stella Burry Community Services and the Canadian Mental Health Association. These organizations work to ensure housing stability and reduce homelessness by providing and/or coordinating supportive services for individuals with complex service needs. New rent supplement clients assisted include: • Seniors - 165 households • Non-elderly singles - 113 households • Persons with special needs/disabilities - 75 households • Small families/others - 31 households To qualify for the rent supplement program, applicant households must have an annual income not exceeding $32,500. Although the average income of tenant households increased from $11,573 in March 2008 to $12,448 in March 2011, all households assisted remain within income limits.
Reduction in rental housing wait list	The rental housing wait list contains applicants for public rental housing and the rent supplement program. During this planning cycle, NL Housing provided adequate and affordable accommodations to over 2,500 new low-income households selected from the rental housing wait list. In spite of these placements, the rental housing wait list grew by 15 percent during 2008-11. The number of applicants on the rental housing wait list changes daily as existing applicants are housed and new applications are received. Although an average of 70 new placements per month occurred during 2008-11, the number of new applicants during that time resulted in the average number of applicants per year increasing by 15 percent, from 937 in 2008-09 to 1,073 in 2010-11. This reflects the tight rental market and the challenges faced by low-income households in recent years, which are external factors that are outside of the organization's control. The average provincial vacancy rate in Spring 2011 is 2.1 percent, down from 3.2 percent in Spring 2008.

Objective 2011: NL Housing has reduced the wait lists for both PHRP and the RSP.

Measure: The number of privately owned homes repaired under the PHRP.

Indicators	Accomplishments 2010-11
Number of grants provided to households assisted under the PHRP	NL Housing provided 2,496 grants under the PHRP during 2010-11. The average PHRP grant amount was $3,957. The total value of PHRP grants in 2010-11 was $9.87 million and in addition to the grants provided under the PHRP, 523 loans valued at $1.6 million were also provided during the year.
Number of target groups assisted under the PHRP	Households assisted under the PHRP may be categorized as belonging to one of four target groups: • Seniors, • Non-seniors, • Persons with disabilities, and • Households self-identified as being of native ancestry. In 2010-11, the number of households assisted within each target group was as follows: • Seniors - 1,521 grants, • Non-seniors - 975 grants, • Persons with disabilities - 402 grants, and • Households self-identified as being of native ancestry - 147 grants.
Reduction of PHRP and RSP wait lists	The wait list for the PHRP did not reduce during the year. The wait list was 1,184 at March 31, 2011, an increase of 124 over March 2010. This resulted from an increased number of new applications, an environmental factor that is beyond the organization's control. For discussion of RSP wait list, see page 35.

The goal of improving the housing circumstances of low-income homeowners and renters has been met over the 2008-11 planning cycle as noted by all but one of the indicators for this goal. The rental housing wait list has not declined despite NL Housing having provided rent supplement assistance to an additional 384 low-income renter clients. The rental housing wait list has grown by 15 percent during the period 2008 to 2011 reflecting the challenging rental market environment that low-income renters face. As noted above the PHRP wait list also increased by 10 percent from 2010 to 2011, due to external factors.

Overall, initiatives under Strategic Plan 2008-2011 have made a significant contribution to reducing and alleviating poverty for low-income households.

Challenges and Opportunities

Challenges

Increases in the cost of living, specifically housing, will create a significant challenge for housing affordability. A growing number of residents do not have sufficient income to pay increasing market rent themselves, and this increases pressure on governments to find ways to address housing affordability in the province. A further challenge that may arise from this situation is growing reluctance among developers to develop affordable housing when the development of private market rental buildings is so profitable.

The uncertainty of future federal funding for new Affordable Housing programs and the Provincial Home Repair program will challenge us.

Changing household demographics and Newfoundland and Labrador's aging population present on-going challenges in meeting demand for housing services.

Opportunities

The highlight of 2009-10 for NL Housing was the launch of a Social Housing Plan for Newfoundland and Labrador - *Secure Foundations*. The plan outlines the key issues and strategic action priorities that will be pursued to address the housing needs of the people of the Province. This plan is supported by stakeholders as a clear course of action to meet the changing housing needs of residents.

In 2010-11, NL Housing received significant support from the Provincial government and other levels of government for this plan. This allows NL Housing to build on the initiatives and investments made in recent years to further improve the housing circumstances of lower-income renters and homeowners in both rural and urban communities.

A growing and engaged not-for-profit housing sector provides a strong network of community stakeholders that can work closely with NL Housing and other government partners to develop initiatives and pursue opportunities that promote housing stability, independent living, well-being and self-reliance.

OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the Chairperson and Members
Newfoundland and Labrador Housing Corporation
St. John's, Newfoundland and Labrador

Report on the Financial Statements

I have audited the accompanying financial statements of the Newfoundland and Labrador Housing Corporation which comprise the balance sheet as at 31 March 2011 and the statement of revenues, expenses and surplus, and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

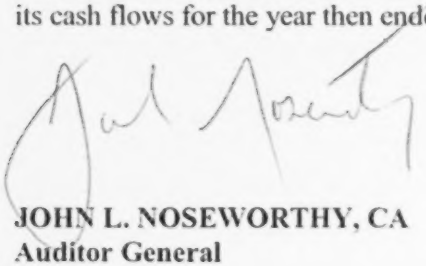
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Auditor's Report (cont.)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Newfoundland and Labrador Housing Corporation as at 31 March 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



JOHN L. NOSEWORTHY, CA
Auditor General

29 July 2011
St. John's, Newfoundland and Labrador

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

BALANCE SHEET

31 March	2011	2010
	(000's)	(000's)
ASSETS		
Cash	$ 70,784	$ 61,177
Accounts receivable (Note 2)	8,218	10,231
Due from the Province of Newfoundland and Labrador - Labrador Housing Programs (Note 3)	1,241	2,291
Inventory and prepaid expenses (Note 4)	4,085	3,911
Mortgages and loans receivable (Note 5)	8,578	10,502
Receivable from municipalities re: land transfers (Note 6)	1,264	1,448
Land assemblies (Note 7)	1,322	1,322
Rental properties (Note 8)	185,485	190,167
Capital assets (Note 9)	10,742	11,238
	$ 291,719	$ 292,287
LIABILITIES AND EQUITY		
Accounts payable and accrued liabilities	$ 16,199	$ 14,594
Deferred revenue (Note 10)	26,016	29,418
Group health and life insurance retirement benefits (Note 11)	16,262	14,768
Capital replacement fund (Note 12)	6,012	6,267
Mortgage insurance fund (Note 13)	3,252	3,252
Mortgages, debentures and similar indebtedness (Note 14)	25,596	24,777
CMHC investment in cost-shared programs (Note 15)	104,469	110,570
	197,806	203,646
Equity		
Contributed capital - Province of Newfoundland and Labrador (Note 16)	62,861	62,861
Surplus	31,052	25,780
	93,913	88,641
	$ 291,719	$ 292,287

Contingent liabilities (Note 17)

Commitments (Note 18)

See accompanying notes

Signed on behalf of the Board:

Chairperson

Member

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

STATEMENT OF REVENUES, EXPENSES AND SURPLUS

For the Year Ended 31 March	2011	2010
	(000's)	(000's)
REVENUES		
CMHC (Note 20)	$ 68,255	$ 60,052
Province of Newfoundland and Labrador operating grant	61,759	56,570
Rent	19,659	18,797
Interest	5,389	5,482
Other income	1,080	852
Profit from land sales by municipalities	674	317
Land assemblies sales	102	10,759
Gain on sale of rental properties	23	79
	156,941	152,908
EXPENSES		
Administrative expenses (Note 21)	22,975	22,051
CMHC share of interest revenue	402	680
Community based housing operating subsidies	14,395	13,838
Grants to homeowners	32,608	22,332
Interest expense	2,460	2,429
Land assemblies costs (Note 7)	66	6,901
Losses on mortgages, loans and repossessions	17	55
Mortgage subsidies	378	611
Provincial Housing Strategy	605	-
Rental properties expenses (Note 22)	71,273	65,692
Rental properties written off	-	59
Rent supplement subsidies	6,490	5,757
	151,669	140,405
Excess of revenues over expenses	5,272	12,503
Surplus, beginning of year	25,780	13,277
Surplus, end of year	$ 31,052	$ 25,780

See accompanying notes

NEWFOUNDLAND AND LABRADOR HOUSING CORPORATION

STATEMENT OF CASH FLOWS

For the Year Ended 31 March

	2011	2010
	(000's)	(000's)
Cash flows from operating activities:		
Excess of revenues over expenses	$ 5,272	$ 12,503
Add (deduct) non-cash items:		
Mortgage subsidies	378	611
Losses on mortgages, loans and repossessions	17	55
Amortization of rental properties (Note 22)	6,998	6,874
Amortization of community based housing	1,005	913
Amortization of Labrador Housing Programs	1,050	1,050
Write-off of rental properties	-	59
Gain on sale of rental properties	(23)	(79)
Amortization of capital assets	1,288	1,281
CMHC portion of non-cash items	166	262
Group health and life insurance retirement benefits (Note 11)	1,494	1,425
	17,645	24,954
Net change in other operating items	3,444	(2,805)
	21,089	22,149
Cash flows from investing activities:		
Decrease in receivable from municipalities re: land transfers	184	56
Decrease in land assemblies	-	5999
Advances of mortgages and loans	(2,006)	(1,831)
Principal recoveries of mortgages and loans	3,535	4,053
Proceeds from sale of rental properties	66	349
Investment in capital assets	(792)	(3,449)
Investment in rental properties	(3,364)	(4,669)
	(2,377)	508
Cash flows from financing activities:		
(Decrease) increase in deferred revenue	(3,402)	5,155
Decrease in capital replacement fund	(255)	(401)
Increase in mortgages, debentures, and similar indebtedness	2,062	1,521
Repayments of mortgages, debentures, and similar indebtedness	(1,243)	(1,118)
Repayments of CMHC investment in cost-shared programs	(6,267)	(7,270)
	(9,105)	(2,113)
Increase in cash	9,607	20,544
Cash, beginning of year	61,177	40,633
Cash, end of year	$ 70,784	$ 61,177

See accompanying notes

Authority

The Newfoundland and Labrador Housing Corporation (the Corporation) operates under authority of the *Housing Corporation Act*. The purpose of the Corporation is to provide cost-effective housing and related programs for the benefit of the residents of the Province with priority given to those most in need. Its affairs are governed by a Board of Directors appointed by the Lieutenant-Governor in Council.

1. Summary of significant accounting policies

These financial statements have been prepared by the Corporation's management in accordance with Canadian generally accepted accounting principles. Outlined below are the significant accounting policies followed.

(a) Mortgages and loans receivable

An allowance for mortgages and loans impairment is estimated based on the value of accounts referred to a collection agency and the accounts with reported arrears balances. The security and source of funding for the accounts that are in arrears are considered in this estimation.

(b) Repossessed units

Repossessed units are valued at the lower of cost and net realizable value based on appraised values and the estimated recovery of cost through social housing rental programs.

(c) Land assemblies

Land assemblies are valued at the lower of cost and net realizable value. Items capitalized as the cost of land assemblies include land acquisition costs, development costs, interest and other related carrying charges.

Land assembly sales are recognized as earned. A portion of the sales revenue is deferred to cover future anticipated costs relative to the land sold. The percentage of revenue deferred is equal to the percentage of cost to complete on a project by project basis.

(d) Rental properties

Rental properties are valued at the lower of cost less accumulated amortization and net recoverable amount. Items capitalized as the cost of a project include land acquisition costs, development and construction costs, interest and other related carrying charges. In instances where properties have been transferred from Government departments, costs have been recorded at $1. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

1. Summary of significant accounting policies (cont.)

(d) Rental properties (cont.)

Non-profit housing	
- Capital costs	Sinking fund, 25-50 years
- Renovation costs	Sinking fund, 15 years
Market housing	
- Capital costs	2% declining balance
Affordable Housing Trust	
- Capital costs	Straight line, 25 years

The Corporation depreciates the full capital cost of non-profit housing.

(e) Capital assets

All capital assets are capitalized at cost at the time of acquisition. Amortization is calculated using the methods described below based on the expected useful lives of all assets as follows:

Office buildings	2% declining balance
Furniture and office equipment	Straight line, 10 years
Maintenance tools and equipment	Straight line, 10 years
Computer hardware and software	Straight line, 4 years
Vehicles	Straight line, 5 years

(f) Severance pay

Severance pay is calculated based on years of service and current salary levels. Entitlement to severance pay vests with employees after nine years of continuous service. The amount is payable when employees cease employment with the Corporation unless an employee transfers to another entity in the public service, in which case the liability is transferred with that employee to the other entity.

(g) Revenue recognition

Interest income is accounted for on the accrual basis for all mortgages and loans other than the impaired portion of mortgages and loans. Recognition of interest in accordance with the terms of the original loan agreement ceases when a loan becomes impaired. A loan is classified as impaired when, in the opinion of management, there is reasonable doubt as to the ultimate collectability of a portion of principal or interest. The impaired portion of loans may revert to accrual status only when principal and interest payments have become fully current again, at which time any interest will be recognized in that fiscal year.

1. Summary of significant accounting policies (cont.)

(g) Revenue recognition (cont.)

Revenue received for a future period is deferred until that future period and is reflected as deferred revenue.

(h) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the year.

(i) Financial instruments

The Corporation's financial instruments consist of cash, accounts receivable, due from the Province of Newfoundland and Labrador - Labrador Housing Programs, mortgages and loans receivable, receivable from municipalities re: land transfers, accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These financial instruments are accounted for as follows:

Held-for-trading

The Corporation has designated cash as held-for-trading and is measured at fair value.

Loans and receivable

The Corporation has classified the following financial assets as loans and receivables: accounts receivable, due from the Province of Newfoundland and Labrador - Labrador Housing Programs, mortgages and loans receivable, and receivable from municipalities re: land transfers. These assets are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties. Gains and losses arising from changes in fair value are recognized in net income upon de-recognition or impairment. Given the short-term nature of accounts receivable, due from the Province of Newfoundland and Labrador - Labrador Housing Programs, and receivable from municipalities re: land transfers, their carrying values equate to their current fair value. The current fair value of mortgages and loans receivable is set out in Note 5.

1. Summary of significant accounting policies (cont.)

(i) Financial instruments (cont.)

Other financial liabilities

The Corporation has classified the following as other financial liabilities: accounts payable and accrued liabilities, group health and life insurance retirement benefits, and mortgages, debentures and similar indebtedness. These liabilities are initially recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

Given the short-term nature of accounts payable and accrued liabilities, their carrying value equates to their current fair value. The carrying value of the Corporation's group health and life insurance retirement benefits is based on actuarial valuations adjusted over time for the effect of changes in assumptions and approximates its fair value. The current fair value of mortgages, debentures and similar indebtedness is set out in Note 14.

2. Accounts receivable

	2011 (000's)	2010 (000's)
CMHC	$ 6,226	$ 8,170
HST	1,304	1,210
Land assemblies	38	-
Rents	118	95
Other	615	831
	8,301	10,306
Less: allowance for doubtful accounts	83	75
	$ 8,218	$ 10,231

3. Due from the Province of Newfoundland and Labrador - Labrador Housing Programs

In March 2000, the Province directed the Corporation to fund the renovation of existing dwellings and construction of new dwellings in Northern Coastal Labrador. In March 2002, the Province directed the Corporation to fund the construction of a personal care home in Mary's Harbour.

Under these initiatives, title to these dwellings is held by the homeowners with the Province repaying the renovation and construction costs over a 15 year period. As at 31 March 2011, the amount due from the Province was $1,241,000 (2010 - $2,291,000).

These projects are being amortized at $1,050,000 annually.

4. Inventory and prepaid expenses

	2011 (000's)	2010 (000's)
Inventory	$ 355	$ 355
Prepaid expenses	3,730	3,556
	$ 4,085	$ 3,911

5. Mortgages and loans receivable

	2011 (000's)	2010 (000's)
Provincial Home Repair Program	$ 5,871	$ 5,977
Residential Rehabilitation Assistance Program loans	1,761	2,704
Subsidized mortgages to homeowners	981	1,880
Other mortgages and loans	1,329	1,507
	9,942	12,068
Less: allowance for impaired mortgages and loans	1,364	1,566
	$ 8,578	$ 10,502

The allowance for impaired mortgages and loans relates primarily to the Residential Rehabilitation Assistance Program loans portfolio.

6. Receivable from municipalities re: land transfers

In September 1998, the Province directed the Corporation to enter into agreements with municipalities to transfer its banked and developed industrial and commercial land. The agreements will transfer these lands to the municipalities under a mortgage arrangement and provide for a share of future land sales revenue to the Corporation.

The receivable is valued at the lower of the carrying value of the land at the date of transfer and the Corporation's share of the net realizable value of the land as outlined in the agreements. The estimated net realizable value is determined using management's best estimates of future sales. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates are not predictable. Consequently, adjustments to the carrying value of the receivable from municipalities re: land transfers are possible depending on the impact of any changes and management's best estimate of them.

As of 31 March 2011, 21 agreements have been completed for the transfer of lands to municipalities at a carrying value of $1,264,000 (2010 - $1,448,000).

7. Land assemblies

	2011 (000's)	2010 (000's)
Land assemblies, beginning of year	$ 1,322	$ 7,321
Cost incurred during the year:		
Land acquisition and development	66	744
Interest, capitalized	-	158
	1,388	8,223
Less: cost of earned sales recognized during year	66	6,901
Land assemblies, end of year	$ 1,322	$ 1,322

In September 1998, the Province directed the Corporation to divest of the majority of its land holdings. Land assemblies are valued at the lower of cost and net realizable value. The estimated net realizable value is determined using management's best estimates of future sales and costs. Management recognizes that changes in future conditions, such as market demand, assumed in making these estimates, are not predictable. Consequently, material adjustments to the carrying value of the asset are possible depending upon the impact of any changes and management's best estimate of them.

8. Rental properties

	2011			2010
	Cost (000's)	Accumulated Amortization (000's)	Net Book Value (000's)	Net Book Value (000's)
Non-profit housing				
- Capital costs	$ 256,905	$ 80,634	$ 176,271	$ 181,449
- Renovation costs	4,981	3,880	1,101	1,601
- Construction costs	10	-	10	-
Market housing				
- Capital costs	7,439	2,923	4,516	4,646
Affordable Housing Trust				
- Construction costs	-	-	-	1,392
- Capital costs	3,233	38	3,195	942
- Other costs	266	-	266	11
Leased land	126	-	126	126
	$ 272,960	$ 87,475	$ 185,485	$ 190,167

9. Capital assets

	2011			2010
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(000's)	(000's)	(000's)	(000's)
Office buildings - capital cost	$ 11,332	$ 2,768	$ 8,564	$ 6,387
- construction	-	-	-	2,276
Furniture and office equipment	335	143	192	203
Maintenance tools and equipment	133	15	118	82
Computer hardware and software	4,258	3,374	884	1,266
Vehicles	2,089	1,105	984	1,024
	$ 18,147	$ 7,405	$ 10,742	$ 11,238

10. Deferred revenue

	2011	2010
	(000's)	(000's)
CMHC Affordable Housing Program	$ 10,718	$ 9,193
CMHC Economic Stimulus Program	9,634	8,818
CMHC Social Housing Agreement	578	498
CMHC Provincial Home Repair Program	389	360
Sub-total Deferred Revenue CMHC	21,319	18,869
Affordable Housing Trust	3,981	8,447
Land Sales	334	400
Rentals	382	402
Capital cost – office building	-	1,300
	$ 26,016	$ 29,418

Deferred revenue CMHC relates to the unearned balance of funds from CMHC under the Social Housing Agreement and the Affordable Housing, Economic Stimulus, and Provincial Home Repair Programs.

Deferred revenue Affordable Housing Trust (AHT) relates to the unearned balance of the AHT Federal Government funding.

10. Deferred revenue (cont.)

Deferred revenue land sales relates to future development costs to be funded from sales received to date.

Deferred revenue rentals consists of rental payments received by the Corporation in advance of the due dates.

Deferred revenue capital cost relates to a capital grant from the Province towards the construction of a new office/maintenance building.

11. Group health and life insurance retirement benefits

All retired employees of the Corporation are eligible to participate in the group insurance plans. Under the plans, the Corporation pays 50% of the total premium charged towards the benefits of both active employees and retirees for life insurance and health benefits. As at 31 March 2011, the health plan provided benefits to 179 retirees (2010 - 161) and the life insurance plan to 199 retirees (2010 - 183).

The actuarial extrapolation prepared by the Corporation's actuary was based on a number of assumptions about future events including an interest rate of 6%, health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Corporation's best estimates of expected long-term rates and short-term forecasts.

Group health and life insurance retirement benefits liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

	Estimated Accrued Benefit Obligation	**Unamortized Experience Gains (Losses)**	**Net Liability 2011**	Net Liability 2010	Change
	(000's)	**(000's)**	**(000's)**	(000's)	(000's)
Group health retirement benefits	**$ 17,073**	**$ (2,490)**	**$ 14,583**	$ 13,186	$ 1,397
Group life insurance retirement benefits	**1,631**	**48**	**1,679**	1,582	97
	$ 18,704	**$ (2,442)**	**$ 16,262**	$ 14,768	$ 1,494

There are no fund assets associated with these plans.

11. Group health and life insurance retirement benefits (cont.)

Group health and life insurance retirement benefits expense

In these financial statements group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

	Corporation's Share of Current Period Costs	Interest Expense on the Liability	Corporation's Current Period Contributions	Current Period Amortization of Experience Changes	Change
	(000's)	(000's)	(000's)	(000's)	(000's)
Group health retirement benefits	$ 355	$ 964	$ (270)	$ 348	$ 1,397
Group life insurance retirement benefits	21	92	(11)	(5)	97
	$ 376	$ 1,056	$ (281)	$ 343	$ 1,494

Experience gains or losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount will be included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

The unamortized experience loss at 31 March 2011 resulted from an increase in health premium rates charged by the insurance provider.

12. Capital replacement fund

In accordance with past program guidelines for partner managed projects, sponsor groups were required to set aside funds for the replacement of major capital items. The funds are held on behalf of the project sponsors and are released as eligible capital replacement expenditures are incurred. Since 2005, additional funds have not been set aside in the Capital replacement fund.

Transactions relating to the capital replacement fund during the year are as follows:

	2011	2010
	(000's)	(000's)
Balance, beginning of year	$ 6,267	$ 6,668
Capital replacement expenditures	(255)	(401)
Balance, end of year	$ 6,012	$ 6,267

13. Mortgage insurance fund

Upon signing the Canada - Newfoundland Social Housing Agreement, the Corporation assumed liability for all losses and costs that may be incurred in respect of a portfolio of loans that are owned and were previously insured by Canada Mortgage and Housing Corporation (CMHC). In return, CMHC provided the Corporation with a $3,000,000 mortgage insurance fund as protection against future losses. Losses on loans are deducted from the fund, while interest earnings were added to the fund until 1 April 2003. The Corporation ceased accruing interest as of 1 April 2003.

	2011	2010
	(000's)	(000's)
Balance, beginning of year	$ 3,252	$ 3,252
Gains (losses) for the year	-	-
Balance, end of year	$ 3,252	$ 3,252

The fund covers a portfolio of Federal loans totalling $127,191,894. The majority of these loans relate to either Social Housing projects that receive significant Federal/Provincial annual operating subsidies or nursing home accommodations with Provincial Government guarantees. While an independent actuarial valuation of the fund has not been carried out, the fund is considered adequate by the Corporation's management.

14. Mortgages, debentures and similar indebtedness

	2011	2010
	(000's)	(000's)
With fixed terms of repayment		
CMHC fixed rate term debentures, at an interest rate of 2.75% repayable in blended annual installments of $2,184,550, with final due dates ranging from December 2021 to January 2030	$ 25,596	$ 24,777

Principal repayments for the next five years on the $25,596,000 of debt with fixed terms of repayment are as follows:

	(000's)
2012	$ 1,497
2013	$ 1,538
2014	$ 1,581
2015	$ 1,625
2016	$ 1,672

15. CMHC investment in cost-shared programs

	2011 (000's)	2010 (000's)
Non-profit rental housing	$ 84,427	$ 85,769
Rural and native housing	19,210	23,236
Home repair assistance	832	1,565
	$ 104,469	$ 110,570

The principal and interest payments required to amortize CMHC's investment in non-profit rental housing and rural and native housing is funded entirely through the annual Federal grant paid by CMHC, pursuant to the Canada - Newfoundland Social Housing Agreement signed in April 1997.

Repayment of CMHC's investment in the home repair assistance programs has no fixed term and is dependant upon future repayments of principal and interest on mortgages and loans.

16. Contributed capital - Province of Newfoundland and Labrador

Contributed capital represents accumulated capital grants of $62,861,000 made to the Corporation by the Province. These grants were utilized by the Corporation to develop housing projects, land assemblies and related programs for the benefit of the residents of the Province.

17. Contingent liabilities

(a) Claims

A claim has been filed against the Corporation for $390,000 for an alleged breach of contract relating to the renovation of a Corporation-owned rental property. This claim has not progressed far enough to enable the formation of a definite opinion as to its outcome. Therefore, the likelihood and the amount of loss to the Corporation is not determinable at this time.

17. Contingent liabilities (cont.)

(b) Environmental issues

Possible environmental liabilities exist for the following:

(i) In 1996, the Corporation learned that possible environmental liabilities exist with respect to potential large quantities of fuel left in abandoned fuel storage facilities in the Stephenville area. The Corporation has removed some of the underground tanks and fuel lines and has undertaken some further study. To date, expenditures related to this work have totalled $2,600,000. As well, based on the studies completed to date, further remediation is estimated to cost $10,000,000. The estimated cost does not contain provision for any inflation since the study was completed.

(ii) In 1998, the Corporation learned that possible environmental liabilities exist with respect to environmental contaminants including hydrocarbons and various heavy metals in the soil and groundwater on 20 hectares of the total 102 hectares in the Paradise area. Title to this site had been transferred to the Town of Paradise during 1998-99 as part of the Corporation's land divestiture program; however, the Corporation will be liable for any costs that must be incurred to clean up the site. Information received from a study completed in January 2000 indicates that the estimated costs of undertaking site remediation based on the information to date is in the order of $6,000,000. The estimated cost does not contain provision for any inflation since the study was completed.

(iii) In 1999, the Corporation learned of possible environmental liabilities relating to 17 underground fuel tanks in its St. John's properties located at Buckmaster's Circle. As a result of an environmental study conducted in 2000, the cost of environmental remediation related to this property is estimated at $1,000,000. To date, expenditures related to this work have totalled $317,000. All 17 tanks have been removed and remediation has been completed on seven of the 17 sites. The estimated cost does not contain provision for any inflation since the study was completed.

(iv) In 2005, the Corporation learned of possible environmental liabilities relating to underground fuel tanks in its St. John's properties located on Cashin Avenue, Froude Avenue, Empire Avenue and Hoyles Avenue. The cost of environmental remediation is estimated at $1,400,000. It is currently estimated that there are 21 underground fuel tanks at these properties. To date, expenditures related to this work have totalled approximately $276,000. Removal and remediation has been completed on nine of the 21 estimated sites.

(v) In 2009, the Corporation learned of possible environmental liabilities relating to seven underground fuel tanks in its St. John's properties located at Pleasantville. The cost of environmental remediation is estimated at $700,000.

17. Contingent liabilities (cont.)

(vi) In 2009, the Corporation learned of possible environmental liabilities relating to electrical transformers containing polychlorinated biphenyls (PCBs) located around its St. John's properties at Chalker Place. The cost of environmental remediation is estimated at $200,000. To date, expenditures related to this work have totalled approximately $33,000. Removal has been completed on two transformers.

(vii) In 2010, the Corporation learned of possible environmental liabilities relating to 43 fuel tanks at its St. John's properties in the Guy Street-Whiteway Street area. The cost of environmental remediation is estimated at $1,290,000. To date, expenditures related to this work have totalled approximately $90,000.

(viii) In 2011, the Corporation learned of possible environmental liabilities relating to fuel tanks at its St. John's properties in the Druggett Place area, Corner Brook properties in the Vine Place area, Hopedale properties in the Carpenters Loop area, and Nain properties in the Main Street area. The cost of environmental remediation is estimated at $100,000. To date, expenditures related to this work have totalled approximately $25,000.

The Corporation's ability to remediate these sites is dependent upon funding from the Province of Newfoundland and Labrador.

18. Commitments

The Corporation has commitments totalling $44,344,398 comprised of:

(i) Uncompleted purchase and construction contracts at year end of $12,828,676
(ii) Commitments under lending programs of $25,400,952
(iii) Commitments under grant programs of $6,114,770

19. Financial instrument risks

The Corporation, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at 31 March 2011:

(a) Credit risk

Credit risk is the risk that the Corporation will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the Corporation to credit risk consist of cash, accounts receivable, mortgages and loans receivable, and receivable from municipalities re: land transfers. Any estimated impairment of mortgages and loans receivable is provided for through an allowance for impaired accounts and no further credit risk exists for these long-term receivables.

19. Financial instrument risks (cont.)

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not materially exposed to foreign exchange risk as all financial instruments are denominated in Canadian dollars and there was an immaterial amount of foreign currency-denominated accounts payable transactions during the year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk. Interest rates on the majority of mortgages and loans receivable and mortgages, debentures and similar indebtedness are fixed to maturity.

(d) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its obligations as they fall due. The Corporation maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

20. Revenue from CMHC

CMHC's share of program subsidies and administration costs are as follows:

	2011 (000's)	2010 (000's)
1997 Canada-Newfoundland Social Housing Agreement	$ 48,179	$ 49,317
Affordable Housing Program	7,818	1,855
Provincial Home Repair Program	4,071	3,826
Residential Rehabilitation Assistance Program	(37)	(24)
Mortgages	6	7
Community Based Housing Stimulus Renovations	2,564	1,720
Public Rental Housing Stimulus Renovations	5,654	3,351
	$ 68,255	$ 60,052

21. Administrative expenses

	2011 (000's)	2010 (000's)
Advertising and promotion	$ 215	$ 222
Computer system costs	1,526	1,825
General	721	765
Office equipment	88	120
Office supplies	207	214
Rent, heat, light, cleaning and maintenance	1,271	1,173
Salaries and employee benefits	17,934	16,686
Telephone and postage	435	455
Travel and vehicle expenses	578	591
	$ 22,975	$ 22,051

22. Rental properties expenses

	2011 (000's)	2010 (000's)
Amortization	$ 6,998	$ 6,874
Bad debts	83	78
Heat, light and operating	10,418	10,016
Interest on debt	16,083	16,540
Municipal taxes	6,072	5,674
Repairs and maintenance	31,619	26,510
	$ 71,273	$ 65,692

23. Pensions

Under the *Housing Corporation Act*, Corporation staff are subject to the *Public Service Pensions Act*. Employee contributions are matched by the Corporation and remitted to the Province of Newfoundland and Labrador Pooled Pension Fund from which pensions will be paid to employees when they retire. The Corporation's share of pension contributions for 2011 was $1,359,675 (2010 - $1,288,774).

24. Self-insurance

With the exception of certain high-risk projects, the Corporation follows the policy of self-insuring its rental properties for property damage such as fire, water and vandalism. The costs of these repairs are charged to rental properties expenses.

25. Province of Newfoundland and Labrador contribution

The Province of Newfoundland and Labrador contributed approximately 40% (2010 - 37%) of the Corporation's total revenues. The contribution enables the Corporation to carry out its overall mandate and to meet its fiscal challenges.

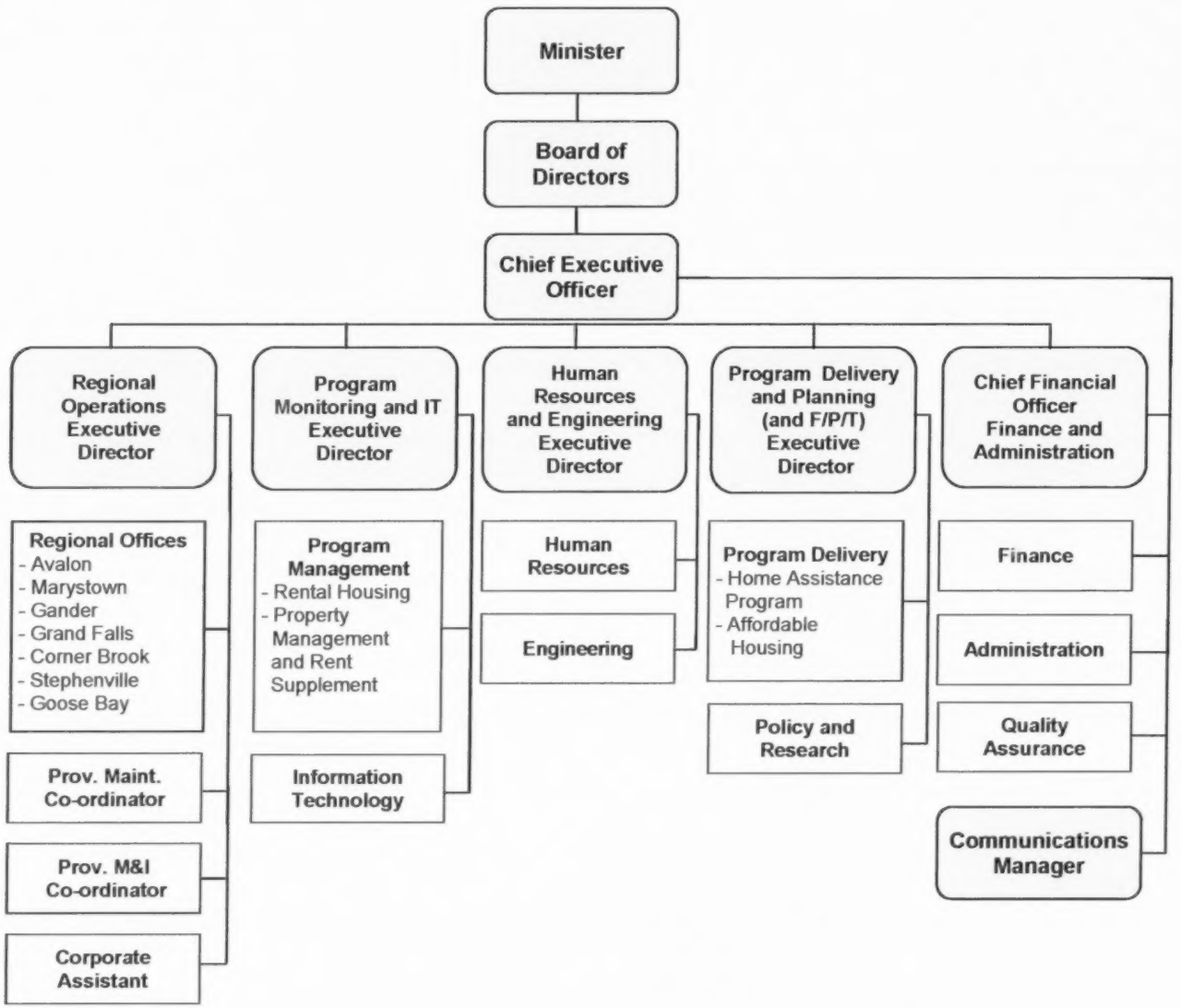
The Corporation's ability to continue to fulfill its mandate is dependent upon the decisions of the Province of Newfoundland and Labrador.

26. Income taxes

The Corporation is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

Appendices

Appendix 1
NL Housing Organization Chart



Newfoundland
Labrador
Housing

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